

# UPPER SAN PEDRO WATER DISTRICT

## Finding Funding to Get the Job Done



The proposed District will need adequate funding to implement the water management projects needed.

The District could raise funds from several revenue sources authorized by law, including:

- Federal funding sources: for example, the \$289,000 appropriated this year for the U.S. Bureau of Reclamation appraisal study of water management alternatives in our area.
- State funding sources: the Arizona Department of Water Resources has already provided \$250,000 for the initial operating and outreach expenses of the District's Organizing Board.
- Local municipalities within the District: including Sierra Vista, Huachuca City, Bisbee, Tombstone and Cochise County, which can work together with the District to coordinate regional water management projects that cross jurisdictional boundaries.
- The sale of water or water rights that may be owned by the District in the future (wholesale only to retail purveyors). Surface water rights may be acquired through the purchase of lands that already have a surface water right attached to them. The District can also purchase rights to Colorado River water.
- Private foundations, gifts, grants and donations.
- User fees for services provided by the District that are agreed to by those users.
- The District board may sell revenue bonds.

### Questions:

- How should the District be funded?
- What alternatives to the above ideas do you see for funding?

The District could develop and operate a water system that provides water at wholesale to a municipality, private water company or an industry that is not served by a municipal water provider. The District could use revenue from such a sale. The District could not retail water. An example of a District project could include: The District drills and operates wells away from the San Pedro River to delay potential groundwater overdrafts on the River. The water withdrawn from the wells would be sold to water providers in exchange for the reduction or elimination of withdrawals near the River.

### Potential Fees for New Users

The Comprehensive Water Resources Draft Plan states “any projects or programs the District undertakes specifically to address water use by new users should be paid for by those users. In particular, large scale augmentation programs that require major investments need to be financed by those who benefit the most.” In other words, the costs for additional water management projects needed as a result of new development should be the responsibility of the new residents, not existing residents.

### Operating costs

The estimated annual operating expenses for the District will be \$400,000 for the Executive Director, administrative and technical staff, and other operating expenses. This annual cost would require funding, along with actual project expenses. Part of the responsibility of the Executive Director would be to ensure that these expenses are met.